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*most confidential (under cover, formal)**① cc AMR**② FIVE**Ameka: pl. don't copy this any further. However, do please extract SPDC's action points & incorporate them in our 1996 plan**when we finalise the 24 January 1996**budget aspects, which you need to do soon!*
*JS 24/1.*Dear *Brian,*

NIGERIA CRISIS MANAGEMENT AND PLAN

As you will be well aware, the Group's activities in a number of countries in which it operates has recently attracted widespread negative criticism, both from politicians, the media, and most especially from environmental and human rights pressure groups. Taken together these attacks are impacting negatively on the Group's image and reputation, and to some degree its business and profitability. This has been nowhere as acute as in the case of Nigeria, a difficult issue to manage made critical by the regrettable execution of Ken Saro-Wiwa and his co-defendants. This has led to a situation where the Group is now being held accountable not only for its environmental record but for a much wider range of social, political and ethical factors in which it is neither feasible nor desirable for us to interfere. Clearly there is a critical need to address this wider issue of the Group's reputation and licence to operate, a challenge which the Group External Affairs organisation in the Corporate Centre will be carefully addressing, with the help of external advisers, over the months to come.

The Message

In the meantime, the crisis surrounding Nigeria needs to be effectively managed. To do so will require that throughout the Group, wherever we are approached or taken to task regarding our actions and intentions in Nigeria, we convey a single, consistent message in as simple a way as the complexities of the issue allow. That message contains a number of elements.

Firstly, we don't claim to be saints. From time to time, we'll get things wrong, as any business will. But the real test of an ethical company is how it puts things right. We've taken a great deal of heat concerning Nigeria, and some of the criticisms have been justified. We have recognised this, and we are taking action. We're spending \$100 million a year on environment-related projects, another \$20 million on community programmes, and we are acting on gas flaring with our investment in the \$2.5 billion LNG plant. We're helping to make things better, on the spot, with goodwill and commitment. We are trying to pursue a course of reconciliation, dialogue and positive action, rather than confrontation. We are convinced that this is the best we can contribute to the people of Nigeria.

Secondly, on human rights issues, we will, readily, though discreetly, intercede, but not intervene. We believe that a more public approach would often be unwelcome and therefore less effective. It would be wrong as a multinational to attempt to interfere with the legal process in Nigeria or anywhere else. But we will use goodwill and proper influence to promote humanitarian values and actions.

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1

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Thirdly, as a business, we address political issues every day of our lives. But partisan political intervention, where business attempts to remove one administration or install another, must be repugnant to the democratic process and is contrary to our business principles. We are also convinced that it would be contrary to the wishes of our customers, our employees, and the communities of the countries where we operate. We have no mandate for this kind of political action.

The Way Forward

Since the start of the year and the advent of the new Service Company organisation, those individuals in London and the Hague who have been handling the Nigeria crisis have been re-grouped along the lines set out in the recently issued Group Crisis Management Plan, a copy of which you should have received. An essential part of the Plan is the establishment of a Group Crisis Team, reporting to the Regional Managing Director, with responsibility for the formulation of a Group strategy and proactive management of issues related to the crisis, as per the attached schematic chart. Since its creation, this team has concentrated its efforts on crafting a Nigeria Crisis Management Strategy and Plan to guide our actions over the next few months. Involvement of operating company representatives through a workshop held in Ascot, UK, on 15th & 16th January was an important part of this process. The document has now been finalised and a copy has been enclosed, which I would ask you to share with your PA focal point who attended the Ascot workshop. I need not emphasise, however, the importance of not allowing this most confidential document to fall into the wrong hands, and distribution has been limited to numbered copies which should under no circumstances be reproduced, either within your own organisation or to the outside world. The majority of the action items in the plan lie within either SPDC on the one hand and the London and Hague offices on the other. I would therefore urge you to use this document as a basis for developing your own, complementary strategy and plan for dealing with the crisis, which I look forward to receiving at your earliest convenience..

NGF.

Action
RMR.

As appointed Chairman of the Nigeria Group Crisis Team, I should like to stress a few 'iron rules' which should guide the actions of all of us for the duration of the Nigeria Crisis. Firstly, it is the responsibility of the Group Crisis Team to manage, rather than simply co-ordinate, the Group's response on Nigeria. Whilst the importance of two-way dialogue with operating companies is well recognised, at the same time it should be clearly understood that we must all sing to the same 'hymn sheet'. It is equally important, however, that true delegation of accountability is given to those involved at the front line so that, within the boundaries which have been set, they can react swiftly to events as they unfold. As senior executives of the Group, it is important that we visibly live up to this fundamental value of the 'New Shell'.

ambiguity

For good order, please find attached a note on the composition of the Group Crisis Teams (Strategy and Operations) and key Operating Company Interfaces which should facilitate contacts. The coming weeks will critically test our ability to respond to crises affecting the Group as a whole, and I hope that you will find that the Strategy and Plan for Nigeria which has been developed will support you in your efforts to meet this challenge. In the meantime, I look forward to receiving any further input from your side and early warning through normal channels of any specific actions planned within your country.

Yours sincerely,

Mike Watts

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2

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NIGERIA CRISIS MANAGEMENT STRATEGY & PLAN

The purpose of this document is to provide an outline strategy and action plan to mitigate the damage and negative impact being done to Shell's business by perceptions of our activities in Nigeria, and to take appropriate actions which will earn the Group an improved reputation. There is no specific time scale for the strategy other than that it is designed to guide our actions with respect to the Nigeria crisis for a period of at least three months. In a number of respects it will overlap with at least two other, longer term issues being addressed in the near future, namely:

- A Group business strategy for Nigeria
- A strategy for handling Group reputation as an asset

There are two main thrusts to the crisis management strategy, the first of which ('Holding the Line') aims at putting the best possible complexion on the facts as they stand, whilst the second ('Occupying New Ground') seeks to provide a more advantageous base from which to operate. For each of the strategic thrusts, a number of principal challenge areas have been identified, which are broken down into subsidiary goals. In addition, action points have been identified with specified action parties to whom full accountability for achieving the goals will be given. These lists will evolve over time, and it will be incumbent upon the Group Crisis Team (Strategy) to supplement them as they deem appropriate.

HOLDING THE LINE

This group of challenges is essentially short-term in nature and it would be disappointing if a start had not been made to action the majority of them within three months. They do not seek to structurally influence the root of the crisis itself, but rather to inject new life into the way in which it is handled.

Fully implement the new Group Crisis Response System within the new organisation

Challenges

- Clarify roles within the new organisation and in relation to OPCOs
- Empower individuals and hold them accountable
- Provide the necessary resources to operate effectively
- Develop the capacity to respond quickly
- Develop the capacity to anticipate crises

Actions

- Inventorise players in the new organisation and their roles
- Assign clear accountabilities to individuals
- Clarify and confirm SPDC/SIEP/SIL communication lines
- Secure CMD endorsement of strategy and work plans
- Disseminate the role of PX/CA in Group Crisis Management throughout the new organisation and to OPCOs
- Identify stress nodes, identify suitable individuals to fill gaps and hire them

Action Parties

PXX/CA
PX
SIEP/CA/
SPDC
PX
PX
PX/PXX/CA

24 January 1996

1

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- Plan for dealing with multiple crises FX/PXX/CA
- Identify future crisis/trigger points, and develop a strategy to deal with them PXX/CA
- Develop scenario approach for trigger points PXX/PXG/CA

Ensure all communication efforts are globally consistent, complete, complementary and timely

Challenges

- Ensure that the front line (BusCom/OPCOs) is conveying the same messages as PX/CA in a manner appropriate to their markets and publics, balancing global consistency with local flexibility
- Harness modern communications technology and OPCO-EA resources to amplify and support Group messages
- Define specific plan and accountabilities for handling North America/UN angle
- Define specific plan and accountabilities for handling other international organisations (e.g. EU, Commonwealth, etc.)

ActionsAction Parties

- Prepare and issue letters to CEOs/RBDs clarifying PX role PX
- Hold regular international workshops for OU-EA staff PXX
- Create system for providing regular briefings to OPCOs and incorporate feedback processes PXX
- Provide early warnings of impending media coverage to OPCOs PXX
- Develop ways to exploit modern technology (Shell Wide Web, video conferencing etc.) to disseminate messages, early warnings, event calendars etc. PXX/CA
- Prepare and disseminate press statements, response statements, paid statements etc. centrally for local application as appropriate PXX
- Send photos/videos of Nigeria to OPCOs PXX
- Set up arrangements for handling North America/UN PXN, PXX
- Set up arrangements for handling other international organisations CA, PXX

Communicate more effectively

Challenges

- Get the style, tone, content and timing right, reflecting greater humanity !
- Develop strategies that address the 'outrage', not just the hazard
- Review and improve media relations
- Take advantage of external advice wherever desirable
- Set the record straight and keep messages simple
- Keep staff abreast of the situation

24 January 1996

2

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- Encourage positive media coverage

Actions

Action Parties

- | | |
|---|---------------|
| - Identify who the public faces for the Group on Nigerian issues will be, provide intensive TV and media training as necessary, and use them consistently | PX/PXX |
| - Enhance media professionalism in PXX | PXX |
| - Keep under review the style and content of messages | PXX/OPCOs |
| - Build bridges with the media at several levels (CMD, PX, CA) | PXX |
| - Create opportunities for MDs to visibly take the lead (e.g. backdrop interviews, by-lined features, etc.) | PX |
| - Generate news and features emphasising positive actions/developments | PXX |
| - Address the accusation of environmental 'double standards' | CA/PXX/SPDC X |
| - Develop a series of press releases, feature articles etc. and syndicate | PXX |
| - Complete the production of the environmental film | SPDC/PXX X |
| - Compile and disseminate professional fact files at different levels, capitalising upon modern multimedia tools | CA, Chellgate |
| - Encourage media coverage by third parties of 'the other version' of events/issues | PXX/OPCOs |
| - Continue other PA programmes (not related to the Nigerian issue) for enhancing local profile | OPCOs |
| - Keep the Shell Nigeria Internet site up to date and topical | PXX/CA |
| - Point readers to SIL home page, and where appropriate adapt for own home page | OPCOs |
| - Measure effectiveness of communication efforts | PXX/OPCOs |

Continue the legal responses

24 January 1996

3

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OCCUPYING NEW GROUND

This group of challenges are of a longer term nature, and many of the resulting actions will take some time to be fully implemented. Their aim is to address the roots of the crisis, leading to actions which will materially improve upon the present position.

Visibly and Physically ActChallenges

- Improve environmental and community relations performance
- Improve relations with the communities, and actively seek local and international NGO involvement
- Re-open dialogue with the Ogonis
- Support the Niger Delta Environmental Survey (NDES)

ActionsAction Parties

- | | |
|--|----------------|
| - Implement the rolling three year "Environmental and Community Relations" plan and develop the next year's programme | SPDC ✕ |
| - Produce environmental progress report in an accessible style | SPDC ✕ |
| - Ensure availability of a structured database | SPDC ✕ |
| - Implement the technical integrity programme | SPDC ✕ |
| - Firm-up plans for supply of further associated gas to NLNG | SPDC ✕ |
| - Produce public Briefing Note on gas flaring | SIEP/SPDC ✕ |
| - Identify initiatives to further reduce flaring (re injection?, power generation?, methanol?) | SPDC ✕ |
| - Review ways in which community support is provided | SPDC ✕ |
| - Organise a seminar of experienced OPCOs to share best practice on community development programmes | SSA (CA/PXX) ✕ |
| - Involve reputable local and international NGOs in community projects | SPDC ✕ |
| - Contribute to the work of the Transition Committees in developing mechanisms for distribution of the Derivation Fund (13%) | SPDC ✕ |
| - Act on NDES interim and final recommendations | SPDC ✕ |
| - Identify (and communicate) environmental and community success stories | SPDC/PXX ✕ |
| - Encourage support for NDES, particularly amongst NGOs | CA/PXX |
| - Restart dialogue with the Ogonis | CA/PXX/SPDC ✕ |

Communicate (and test) Shell's approach to human rights and political involvementChallenges

- Achieve mutual understanding with Amnesty International and other human rights NGOs
- Develop a dialogue with human rights groups
- Review the Group's position on human rights and political involvement

24 January 1996

4

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- Share the dilemma

ActionsAction Parties

- | | |
|---|----------|
| - Meet with Amnesty International representatives | MGDCH/CA |
| - Consult with outside professional Human Rights experts | CA/PXX |
| - Organise a workshop with outside specialists (Amnesty International, academics, churches etc.) on boundaries of acceptable/desirable corporate behaviour | CA/PXX |
| - Review the Group's position on Human Rights and political involvement in the context of the Group's Business Principles, in the light of the above and potential developments | CA/PX |
| - Develop a shorter, more communicable response statement on present Human Rights position | CA/PXX |

Create coalitions, isolate the opposition and shift the debateChallenges

- Differentiate clearly the interest groups - friends and foes
- Develop partnerships and work with the public(s)
- Encourage others to speak up
- Move the debate to areas where the Group can be a force for good, as well as to the wider issues (i.e. beyond those relating to Shell and the oil industry)

ActionsAction Parties

- | | |
|--|------------------|
| - Update the NGO list, with external support, and disseminate it | CA/PXX/
OPCOs |
| - Prepare a game plan for those NGOs considered key (including visits to Nigeria) | CA/PXX |
| - Work with/sway 'middle of the road' activists | CA/PXX |
| - Identify other potential friends and foes, and prepare a game plan for those considered key | CA/PXX |
| - Identify existing/potential experts on Africa internationally | PXX |
| - Keep in mind the possibility of (sponsoring) an international conference on "Investing in and trading with developing countries" | PX |
| - Research the merits of ethical advisory committees | PX |

24 January 1996

5

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DEF 0014821

Note from P Watts regarding Group Crisis Response Management

From 1 January the Nigeria team in the Corporate Centre will be organised along the lines envisaged in the Group Crisis Management Plan recently issued. To this end two teams have been established:

1. Group Crisis Team (Strategy)

P B Watts (Chairperson)
K M de Segundo
H J M Roels
A Wood
A Detheridge (Secretary)
J R Merrett

This team will be supplemented as appropriate by individuals who bring special expertise, including external consultants.

2. Operations Team

K M de Segundo - Operations Team Manager
A Detheridge - SPDC Liaison (NGO contacts)
M R Christle - Operating company liaison
P E Bright - Health, Safety and Environmental issues and NGO contact
E W Nickson - Media
M T Williams - Communications development (operating company liaison)
J Barry - EP programming (SPDC liaison)

The primary roles of the operation team are listed, with activities in brackets denoting an alternative contact in the absence of the usual focal point.

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